

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this	18th day or Ju	NE	, 2008, by and belween
PRUFUS C. WILLIAMS CINC	WIFE Lillian	h. Williams	
whose addresss is 3303 USS SANCE and, DALE PROPERTY SERVICES, L.L.C., 2100 Rohereinabove named as Lessee, but all other provisions 1. In consideration of a cash bonus in hand described land, hereinafter called leased premises:	is (including the completion of b	lank spaces) were prepared jointly by Les	sor and Lessee.
• 275 ACRES OF LAND, MORE OR	PLESS BEIMGLOTES	A	, block 4
OUT OF THE GIENX PEST FORT LOOP TO IN VOLUME 20 , PAGE	, TARRANT COU	ADDITI	ON, AN ADDITION TO THE CITY OF THAT CERTAIN PLAT RECORDED
in the County of Tarrant, State of TEXAS, containing reversion, prescription or otherwise), for the purpose substances produced in association therewith (Includent Commercial gases, as well as hydrocarbon gases. In land now or hereafter owned by Lessor which are contained to execute at Lesse's request any add of determining the amount of any shut-in royalties here	e of exploring for, developing, uding geophysical/seismic ope n addition to the above-describ intiguous or adjacent to the abo ditional or supplemental instrum	producing and marketing oil and gas, ale rations). The term "gas" as used herc ed leased premises, this lease also cove ove-described leased premises, and, in co ents for a more complete or accurate des	in Includes helium, carbon dioxide and other is accretions and any small atrips or parcels of onsideration of the aforementioned cash bonus, cription of the land so covered. For the purpose
 This lease, which is a "pald-up" lease requirir as long thereafter as oil or gas or other substances co otherwise maintained in effect pursuant to the provision 	overed hereby are produced in	for a primary term of FIVE paying quantities from the leased premise	(5) years from the date hereof, and for its or from lands pooled therewith or this lease is
3. Royaltles on oil, gas and other substances preparated at Lessee's separator facilities, the royalty Lessor at the wellhead or to Lessor's credit at the oil the wellhead market price then prevailing in the same prevailing price) for production of similar grade and production, severance, or other excise taxes and the Lessee shall have the continuing right to purchase sure no such price then prevailing in the same field, then the same or nearest preceding date as the date on whome wells on the leased premises or lands pooled the are waiting on hydraulic fracture slimulation, but such be deemed to be producing in paying quantities for the there from is not being sold by Lessee, then Lessee Lessor's credit in the depository designated below, or while the well or wells are shut-in or production there is being sold by Lessee from another well or wells or following cessation of such operations or production. terminate this lease. 4. All shut-in royalty payments under this lease be Lessor's depository agent for receiving payments in draft and such payments or lenders to Lessor or to diddress known to Lessee shall constitute proper payment hereunder, Lessor shall, at Lessee's request. 5. Except as provided for in Paragraph 3. above premises or lands pooled therewith, or if all production pursuant to the provisions of Paragraph 6 or the acceptable of the primary term, or at any time thereafte operations reasonably calculated to obtain or restore; no cessation of more than 90 consecutive days, and there is production in paying quantities from the leased premises as to formations leased premises from uncompensated drainage by an additional wells on the leased premises from uncompensated drainage by an additional wells on the leased premises from uncompensated drainage by an additional wells on the leased premises from uncompensated drainage by an additional wells on the leased premises from uncompensated drainage by an additional wells on the leased premises from uncompensated drainage by an additional wells on the lea	produced and saved hereunder shall be TOPENHU - TOPE purchaser's transportation facilities field (or if there is no such purchaser's transportation facilities field (or if there is no such purchaser's transportation facilities field (or if there is no such purchased); (b) for gas (including) of the proceeds realized to costs incurred by Lessee in the nearest field in which the thich Lessee commences its pure the purpose of maintaining this purpose of maintaining this is shall pay shul-in royalty of or nor before the end of said 90-16 from is not being sold by Lessen the leased premises or lands Lessee's failure to properly purshall be paid or tendered to the regardless of changes in the owner depository by deposit in the ment. If the depository should the depository should the composition of any governmental authorism for neworking an exist hin 90 days after completion of any governmental authorism for reworking an exist in 90 days after completion of any such operations result is end premises or lands pooled there then capable of producting in premises or lands pooled there then capable of producting in premises or lands pooled there then capable of producting in premises or lands pooled there.	lites, provided that Lessee shall have the price then prevailing in the same field, thing casing head gas) and all other suboy Lessee from the sale thereof, less allivering, processing or otherwise market wellhead market price paid for production re is such a prevailing price) pursuant to rechases hereunder; and (c) if at the end or oducing oil or gas or other substances of production there from is not being sold lease. If for a period of 90 consecutive de edilar per acre then covered by this lease period and thereafter on or before ease; provided that if this lease is otherwise pooled therewith, no shut-in royalty shall any shut-in royalty shall render Lessee lial assor or to Lessor's credit in at leasor's nership of said land. All payments or lend US Mails in a stamped envelope address iguidate or be succeeded by another institutes incapable of producing in paying quantifications on such dry hole or within 90 operations on such dry hole or within 90 operations on such dry hole or within 90 operations on such dry hole or within 90 on the production of oil or gas or other succeeding the paying quantities are asonably prudent operator worker. After completion of a well capal with as a reasonably prudent operator worker.	reduction, to be delivered at Lessee's option to continuing right to purchase such production at en in the nearest field in which there is such a stances covered hereby, the royalty shall be a proportionate part of ad valorem taxes and ng such gas or other substances, provided that of similar quality in the same field (or if there is comparable purchase contracts entered into on the primary term or any time thereafter one or overed hereby in paying quantities or such wells by Lessee, such well or wells shall nevertheless tays such well or wells are shut-in or production ase, such payment to be made to Lessor or to ch anniversary of the end of said 90-day period being maintained by operations, or if production to due until the end of the 90-day period next ble for the amount due, but shall not operate to accept the difference of the depository or to the Lessor at the last fution, or for any reason fall or refuse to accept thion as depository agent to receive payments. Ities (hereinafter called "dry hole") on the lessed of cause, including a revision of unit boundaries of otherwise being maintained in force it shall or for otherwise obtaining or restoring production days after such cessation of all production. If at their engaged in drilling, reworking or any other or more of such operations are prosecuted with betances covered hereby, as long thereafter as old offil under the same or similar circumstances or lands pooled therewith, or (b) to protect the
6. Lessee shall have the right but not the oblig depths or zones, and as to any or all substances co proper to do so in order to prudently develop or opera unit formed by such pooling for an oil well which is no horizontal completion shall not exceed 640 acres plus completion to conform to any well spacing or density of the foregoing, the terms "oil well" and "gas well" si prescribed, "oil well" means a well with an initial gascofeet or more per barret, based on 24-hour production equipment; and the term "horizontal completion" mee romponent thereof. In exercising its pooling rights have production, drilling or reworking operations anywhere reworking operations on the leased premises, except net acreage covered by this lease and included in the Lessee. Pooling in one or more instances shall not of unit formed hereunder by expansion or contraction of prescribed or permitted by the governmental authority malking such a revision, Lessee shall file of record a will lease and premises is included in or excluded from the unit and stating the	ivered by this lease, either befale the feased premises, whether a horizontal completion shall at a horizontal completion shall at a horizontal completion shall are a maximum acreage tolerance pattern that may be prescribed hall have the meanings prescribination of less than 100,000 colorotes and of less than 100,000 colorotes and off well in which the horizontal and well in which the horizontal and which includes all that the production on which the unit bears to the total gross exhaust Lessee's pooling rights or both, either before or after of a horizontal and the production, or to conwritten declaration describing the part of the part of such revision, it in paying quantities from a unit paying quantities from a unit a maximum and the second of the second of the second of the lease to the second of t	pre or after the commencement of product or not straign pooling authority exists with not exceed 80 acres plus a maximum acred 10%; provided that a larger unit may be or permitted by any governmental authorized by applicable law or the appropriate pic feet per barrel and "gas well" means a nat producing conditions using standard norizontal component of the gross completive control of the describing the corresponding to the leased premises shall essor's royalty is calculated shall be that acreage in the unit, but only to the extended the production, in order to form to any productive acreage determinate revised unit and stating the effective due proportion of unit production on which it, or upon permanent cessation thereof, It, or upon permanent cessation thereof, It.	iction, whenever Lessee deems it necessary or ith respect to such other lands or interests. The reage tolerance of 10%, and for a gas well or a perior for an oil well or gas well or a perior for an oil well or gas well or horizontal ity having jurisdiction to do so. For the purpose governmental authority, or, if no definition is so well with an initial gas-oil ratio of 100,000 cubic lease separator facilities or equivalent testing on interval in facilities or equivalent testing on interval in the reservoir exceeds the vertical equit and stating the effective date of pooling. If be treated as if it were production, drilling or proportion of the total unit production which the nt such proportion of unit production is sold by curring right but not the obligation to revise any conform to the well spacing or density pattern the proportion of the extent any portion of the royalties are payable hereunder shall thereafter lessee may terminate the unit by filing of record

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premise
- The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the 8. The interest of either Lesser or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in pail, by area and/or by depth of zone, and the rights and obligations of the parties hereunder shall extend to their respective helis, devisees, executors, administrators, successors and assigns. No change in Lesser ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the salisfaction of Lessee or until Lesser has satisfied the holification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to osatisfy such of interest in all or any region of the area covered by this fease. The obligations to Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royallies hereunder shall be divided between Lessee and the transferse in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or lender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

- If Lessee releases all or an undivided Interest in less than all of the area covered hereby, Lessee's obligation to pay or lender shul-in royalties shall be proportionately reduced in accordance with the net acreage Interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in pitmary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises of produced in exploring, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor ones or hereefter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor has one or hereefter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor has one or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pey for damage caused by its operations to buildings and other improvements now on the leased premises or other lands during the term of this lease or within a reasonable time to remove its fatures, equipment and materials, includi
- expiration of this lease. Leasor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of lifteen days after receipt of the notice, shall have the prior and preferred right and option to
- purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No illigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration racited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or
- situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other onerations.
- operations.
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good falth negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

eirs, devisees, executors, administrators, successors and assigns, whether or not this lease ha	s been executed by all parties hereinabove named as Lessor.
ESSOR (WHETHER ONE OR MORE) Lylus C W llagym BY: BY:	Lillian & William
ACKNOWLEDGME STATE OF TEXAS COUNTY OF TAYTAN + This instrument was acknowledged before me on the day of the day of the standard of the day of the standard	
KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires April 15, 2012	Notary Public, State of TEXCIS Notary's name (printed): Notary's commission expires:
STATE OFCOUNTY OFday of This instrument was acknowledged before me on theday of y;	, 2008,
	Notary Public, State of Notary's name (printed):

Notary's commission expires:



DALE RESOURCES 3000 ALTA MESA BLVD, STE 300

FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00

Filed For Registration: 07/21/2008 03:52 PM Instrumen #: D208283411 ISE 3 PGS

D208283411

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: DS